

# HEIDRICK & STRUGGLES INTERNATIONAL, INC.

## Corporate Governance Guidelines

The Heidrick & Struggles International, Inc. (The "Company") Board of Directors (the "Board") and management believe that the Company, in the interests of its stakeholders, should embrace corporate governance practices in keeping with our leadership position in our business and current legislation and rules. The Company's policies of corporate governance must be rooted in and consistent with its business process.

### Process

The Nominating and Board Governance Committee ("NGC") has been empowered by its charter to develop, review and assess the Corporate Governance Guidelines (the "Guidelines") that govern the practices of the Company's Board. The NGC reports its findings and recommendations to the Board for action.

### Practices

The Board of Directors has adopted these Guidelines to assist it in the exercise of its responsibilities:

- Director Qualifications. The Chair of the Board and the Chair of the NGC shall jointly extend invitations to new nominees to the Board. The criteria to be used by the NGC for considering potential candidates for election to the Board are attached hereto as Exhibit A.
- Board Independence. A majority of the members of the Board of the Company shall qualify as independent directors in accordance with the applicable provisions of the Securities Exchange Act of 1934 (the "Exchange Act"), the rules promulgated thereunder and the applicable rules of The NASDAQ Stock Market, Inc. ("NASDAQ"). The Board may establish such additional director independence guidelines as it may deem necessary and/or desirable from time to time.
- Other Board Memberships/Limits on Directorships. Directors shall advise the Chair of the Board and the Chair of the NGC promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company. In addition, Directors shall notify other companies for which they serve as a director, of their membership on the Company's Board. In addition, no Director shall be permitted to serve on more than a total of four public company boards of directors (not including boards of subsidiary entities).
- Resignation for Majority Withheld Vote. In an uncontested election of Directors (i.e. an election in which the only nominees are those recommended by the Board of Directors), any nominee for Director who receives a greater number of votes "withheld" from his/her election than votes "for" his/her election (a "Majority Withheld Vote") will tender his/her resignation to the Chair of the NGC following certification of the shareholder vote. The NGC shall consider the tendered resignation and shall recommend to the Board whether to accept or reject the tendered resignation no later than sixty days following the date of the shareholders' meeting at which the election occurred (the "Shareholders' Meeting Date"). In considering whether to accept or reject the tendered resignation, the NGC shall consider factors deemed relevant by the NGC, including, without limitation:
  - The Director's length of service;
  - The Director's particular qualifications and contributions to the Company;
  - The reasons underlying the Majority Withheld Vote (if known) and whether any of these

- reasons can be rectified; and
- Compliance with applicable listing standards and the Guidelines.

The Board shall act on the NGC's recommendation no later than one hundred twenty days following the Shareholders' Meeting Date. In considering the NGC's recommendation, the Board shall consider those factors considered by the NGC and such additional information and factors that the Board believes to be relevant. The Company shall publicly disclose the Board's decision whether to accept the resignation as tendered (providing an explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation) in a Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC"). Any Director who tenders his or her resignation pursuant to this provision shall not participate in the NGC deliberations or Board consideration regarding whether to accept or reject the tendered resignation. If a majority of the members of the NGC receive a Majority Withheld Vote at the same election, then the independent Directors who did not receive a Majority Withheld Vote (or who were not standing for election) shall form a special Board committee solely for the purpose of considering the tendered resignation(s) and shall recommend to the Board whether to accept or reject them.

- Changes in Professional Status. When a Director's principal occupation or business association changes significantly (including, without limitation, the Chief Executive Officer, and any other officer of the Company who is a Director, ceasing to continue in such position) during his or her tenure as a Director, that Director shall tender his or her resignation for consideration by the NGC. The NGC shall recommend to the Board the action to be taken with respect to the resignation.
- Conflicts. Conflicts of interest shall be promptly disclosed pursuant to the Company's Policy on Resolution of Conflicts of Interest for Directors and Executive Officers.
- Committee Structure. The Board shall at all times maintain an Audit and Finance Committee, a Nominating and Board Governance Committee and a Human Resources and Compensation Committee, which shall operate in accordance with applicable law, their respective charters as adopted and amended from time to time by the Board, and the applicable rules of the SEC and NASDAQ. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by applicable law and the Company's Amended and Restated By-laws as the Board sees fit. Each committee shall have a written charter.
  - The NGC shall be responsible for the matters set forth in its charter, including (a) identifying and recommending Director nominees and (b) addressing corporate governance matters affecting the Company. The Committee shall meet at least two times per year.
  - The Human Resources and Compensation Committee ("HRCC") shall be responsible for the matters set forth in its charter, including (a) review and provide guidance on the Company's human resources and compensation strategies, (b) discharging the Board's responsibilities relating to compensation of the Company's executives, and (c) reviewing and approving a report on executive compensation required by the SEC to be included in the Company's annual meeting proxy statement. The HRCC shall meet at least four times per year.
  - The Audit and Finance Committee ("AFC") shall be responsible for the matters set forth in its charter, including the appointment of, compensation of and oversight over the work of the Company's independent auditors. The AFC shall monitor (a) the integrity of the financial statements of the Company, (b) the independent public auditor's qualifications and independence, (c) the performance of the Company's internal audit function and

independent auditors, including the adequacy and effectiveness of the Company's internal controls; and (d) the financial structure and condition of the Company. The AFC shall review and approve the report required by the rules of the SEC to be included in the Company's annual meeting proxy statement. The Committee shall meet at least four times per year.

- Committee Independence. The AFC, HRCC, and the NGC shall be comprised entirely of independent directors. All committee members shall meet the independence and other requirements of the applicable committee charter, applicable provisions of the Exchange Act and NASDAQ listing requirements.
- Committee Operation. Each Committee Chair, in consultation with the members of his or her committee, shall determine the frequency and length of their committee meetings, as well as agenda items to be addressed.
- Lead Director. In the absence of a non-executive (i.e independent) Chair of the Board of Directors, the Chair of the NGC shall serve as Lead Director to: (i) preside at the executive sessions of the independent directors, and (ii) serve as a contact for interested parties who wish to communicate with independent directors.
- Board Meeting Agendas and Materials. The agenda items to be considered by the Board at each of its meetings shall be included in the Board materials, distributed in advance to Directors. The Chair of the Board establishes the agenda items for each Board meeting. Each Director is free to suggest the inclusion of items on the agenda. Information and data that is important to the Board's understanding of the business to be discussed at meetings will be distributed in advance of meetings to the extent practicable, except when such material is too sensitive to be put in writing.
- Executive Session. The Board shall schedule regular executive sessions at which independent Directors meet without management participation. Significant matters discussed shall be communicated to management as determined appropriate by the members of the Board attending the meeting. The Chair of the Board or Lead Director may call special executive sessions of the Board.
- Director Access to Management and Independent Advisors. The Company shall provide each Director with complete access to the management of the Company. The Board and Board committees, to the extent set forth in the applicable committee charter or as required by the applicable rules of the SEC or NASDAQ, shall have the right to consult and retain independent legal and other advisors at the expense of the Company.
- Directors Appointed to Fill Vacancies. When a Director has been elected by the Board to fill a vacancy created by the resignation, death or disqualification of a Director, he or she shall have the same remaining term as that of his or her predecessor.
- Board Orientation and Continuing Education. Directors shall meet any education requirements established by NASDAQ. The Board or the Company shall establish, or identify and provide access to, appropriate orientation programs, sessions or materials for newly elected Directors of the Company for their benefit either prior to or within a reasonable period of time after their nomination or election as a Director.
- Annual Board Performance Review. The Board and each Committee thereof, shall, with the assistance of the NGC, conduct an annual evaluation of Board and Committee performance.
- Director Compensation. The NGC shall review annually the form and amount of Director compensation, including cash, equity-based awards and other compensation and recommend any

changes it determines appropriate to the Board. No loans may be made to Directors.

In performing its functions the Board and its committees shall be entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. Except as otherwise provided in a charter of a committee, the Board shall have the authority to select, retain, terminate and approve the fees and other retention terms of its outside advisors.

The Guidelines may be amended, modified or waived by the Board and waivers of the Guidelines may also be granted by the NGC, subject to the disclosure and other provisions of the Exchange Act, the rules promulgated thereunder and the applicable rules of NASDAQ.

Adopted:	October 2, 2003
Amended:	May 12, 2004
Amended:	February 16, 2005
Amended:	February 17, 2006
Amended:	May 24, 2006
Amended:	February 08, 2008
Amended:	May 22, 2008
Amended:	February 6, 2009
Amended:	December 15, 2011
Amended:	December 19, 2012
Amended:	December 19, 2013

## **EXHIBIT A**

### **Criteria for Considering Director Nominees**

In considering potential candidates for election to the Board, including with respect to incumbent Directors and shareholder recommended candidates, the Nominating and Board Governance Committee shall consider, among other qualifications that it deems appropriate, the following:

- (1) The potential candidate's principal employment, occupation or association involving an active leadership role.
- (2) The potential candidate's expertise or experience relevant to the Company's business that would not be otherwise readily available to the Board.
- (3) The potential candidate's ability to bring diversity to the Board, including whether the potential candidate brings complementary skills and viewpoints.
- (4) The potential candidate's time commitments, particularly the number of other boards on which the potential candidate may serve.
- (5) The potential candidate's independence and absence of conflicts of interest as determined by the Director Independence Standards, the NASDAQ rules and other applicable laws, regulations and rules.
- (6) The potential candidate's financial literacy and expertise.
- (7) The potential candidate's personal qualities including strength of character, maturity of thought process and judgment, values and ability to work collegially.